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GLOBAL MECHANISM

(a) REVIEW, PURSUANT TO ARTICLE 22, PARAGRAPH 2(d), OF THE CONVENTION, OF THE REPORT ON POLICIES, OPERATIONAL MODALITIES AND ACTIVITIES OF THE GLOBAL MECHANISM, AND THE PROVISION OF GUIDANCE TO IT

Note by the secretariat

1. At its third session, the Conference of the Parties, by its decision 9/COP.3 on the first review of policies, operational modalities and activities of the Global Mechanism (GM), *inter alia*:

(a) Stressed that the Global Mechanism shall clearly identify priority activities and submit them to its fourth session for consideration and adoption by the Conference of the Parties in order to ensure effectiveness and impact of its activities as well as to avoid overlaps with the activities of existing institutions and organizations, and therefore achieve concrete results, in the shortest possible time, in mobilizing and channelling financial resources to affected developing country Parties, particularly those in Africa, for the implementation of the Convention;

(b) Requested the Managing Director to report on the activities of the Global Mechanism, including progress in implementing this decision, to the Conference of the Parties at its fourth session.

2. Annexed hereto is the report of the President of the International Fund for Agricultural Development (IFAD) to the fourth session of the Conference of the Parties.

3. The report on the operational strategy of the Global Mechanism is included in ICCD/COP(4)/4/Add.1, while ICCD/COP(4)/4/Add.2 contains the report of the Facilitation Committee of the Global Mechanism for consideration by the Conference of the Parties.

[1] ICCD/COP(4)/1.

The Report of The Managing Director of The Global Mechanism on behalf of the President of The International Fund For Agricultural Development[2] submitted to The Fourth Conference of The Parties

Rome, 22 September 2000

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[2] The report is reproduced without formal editing by the Convention secretariat.

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INTRODUCTION

1. Article III.B of Annex 1 of the Memorandum of Understanding between the International Fund for Agricultural Development (IFAD) and the Conference of the Parties (COP) states that the Managing Director of the Global Mechanism reports to the Conference of the Parties on behalf of the President of IFAD. This report responds to this obligation and covers the period from COP 3 to mid-September 2000. Reflecting the rationale adopted by the Global Mechanism, it contains information on the activities undertaken during the reporting period. It also contains a self-assessment of the actions taken by the Global Mechanism in this period, responding to a proposal of COP 3 and following the model set in the report provided to COP 3.

2. In addition to this report, the GM is presenting a document on the Operational Strategy prepared in response to decision 9/COP.3 and a report on Partnership Building prepared in cooperation with the secretariat in response to decision 5/COP.3. The Facilitation Committee of the Global Mechanism is also presenting a report on its progress during the year. In order to have a complete picture of the work of the Global Mechanism over the year, all the above-mentioned reports should be consulted.

I. GUIDING PRINCIPLES AND ACTION AREAS

A. Guiding principles

3. National, subregional and regional action plans provide the framework for UNCCD implementation. Under the UNCCD, such plans are to be closely linked with other efforts to formulate policies for sustainable development. In other words, the question of desertification (defined as "land degradation in arid, semi-arid and dry sub-humid areas resulting from various factors, including climate variations and human activity") is very closely linked to the development process itself. In this context, special attention is paid to all aspects of sustainable rural development and to poverty alleviation, including access to and control of natural resources, support to alternative rural livelihoods and access to socio-economic infrastructure and services.

4. From this perspective, it is to be understood that the Global Mechanism is not a central fund (duplicating existing funding sources and mechanisms), but rather a brokering institution that helps to rationalise the allocation of resources and mobilise additional financial resources, where necessary. This process involves drawing on the classical funding instruments and resources from the GEF as well as those of relevant intergovernmental negotiations.

5. The guiding principles which underpin the utilisation of the catalytic resources available to the Global Mechanism are set out in decision 25/COP.1, and are intended to ensure that the Global Mechanism is:

- responsive to the needs and priorities of the Parties to UNCCD;
- non-duplicative of existing mechanisms and facilities, but instead adds value to them;
- lean and efficient, drawing on other institutions, including its housing institution, as well as the United Nations system-wide capacities and facilities;
- neutral and universal in its operations.

B. Action Areas

6. Intervention by the Global Mechanism, at the request of concerned Governments and intergovernmental and non-governmental organisations, is undertaken with the following rationale:

- to help coordinate, upon request, resource mobilisation for the formulation and implementation of National Action Programmes (NAPs). To this end, NAPs are harmonised and interfaced with relevant Government strategies at sectoral or national levels, and with the regular assistance programmes of the technical and financial cooperation agencies;
- to facilitate, upon request, a concerted approach to resource mobilisation for the formulation and/or implementation of Regional and Subregional Action Programmes (RAPs and SRAPs). Special attention is paid to the issues of transboundary ecosystems, cross-fertilisation of experiences, and harmonisation of policies;
- to contribute to developing innovative approaches to cooperation with non-governmental organisations (NGOs) and to promote stakeholder mobilisation and networking, for the transfer of technology, capitalisation of traditional knowledge and information management;
- to establish in conformity with the provisions of the Convention and with decisions 24/COP.1, 25/COP.1 and 9/COP.3 an inventory of bilateral and multilateral cooperation programmes as well as other sources and channels of funding that are available for implementing the Convention. This inventory is being organised in the form of a decentralised knowledge management system called the Financial Information Engine on Land Degradation (FIELD) which also includes a database on good practices, projects and the financial needs of affected developing country Parties in developing Action Programmes and other activities related to the implementation of the Convention.

II. INSTITUTIONAL DEVELOPMENT OF THE GM OFFICE: RESOURCES AND PROCEDURES

A. Human resources

7. Two Programme Officers were recruited in 2000, which has substantially enhanced the GM's response capacity. Portfolio allocation in the GM has also reflected the COP 3 recommendation for coverage of various geographic regions. However, despite continuing efforts to prioritise GM interventions as per the guiding principles mentioned above, the human resources available are stretched to the limit.

B. Financial resources

8. The resources made available to the GM, in order to fulfil its responsibilities, comprise the following:

- allocations by the COP from the Core Budget of the UNCCD, to meet the GM's administrative and operational expenses, held in the "Core Budget Administrative Expenses Account" (1st Account);
- voluntary contributions from multilateral and bilateral donors and other sources (e.g. NGOs and the private sector) to cover the GM's administrative and operational expenditures in relation to services rendered by the GM; held in the "Voluntary Contributions Administrative Expenses Account" (2nd Account);
- catalytic resources made available (in the form of trust funds or otherwise) from bilateral and multilateral sources which the GM utilises as catalytic financial assistance in support of UNCCD implementation, held in the "Special Resources for UNCCD Finance (SRCF) Account" (3rd Account).

9. A Technical Assistance Grant (TAG) of US$2.5 million was approved by IFAD in 1999 (of a total pledge of US$10 million) as an initial capitalisation of the SRCF Account, pending mobilisation of matching financing from other donors. In June 2000, a grant of US$1.25 million was approved by the World Bank for the fiscal year 2000. A similar amount is anticipated for the fiscal year 2001. Voluntary contributions have also been received from the Government of Switzerland with an amount of CHF 250,000 for the years 2000 and 2001 as a

continuation of previously provided support. The Government of Norway has taken a formal decision to contribute an amount in the order of US$600,000 to the Global Mechanism over a three-year period, and negotiations are underway with the Governments of Denmark, Japan, the Netherlands and Sweden with regard to voluntary contributions to the Global Mechanism's second and third accounts.

C. Operational and administrative procedures

10. As part of streamlining its operations, the GM is gradually, and on the basis of emerging experiences, developing a model intervention cycle. Following a request for support, the GM prepares an Inception Note based either on a reconnaissance mission to the country or region concerned, or on a desk review. The review and Inception Note form the basis for identifying a tentative "road map" for GM intervention along with a proposal for an amount of GM financial assistance.

11. As part of the review process, the Global Mechanism's Technical Advisory Group (GM/TAG) - established to provide advice on the objectives and scope of activities to be funded under the SRCF Account - is consulted. This group includes the Global Mechanism, the UNCCD secretariat, IFAD and FAO. The GM may invite others to attend the TAG meetings.

12. As a result of the TAG meeting, initial financial assistance is made available to countries and intergovernmental organisations, as catalytic resources from the Global Mechanism towards leveraging additional funds in support of UNCCD implementation.

13. The GM/TAG meetings are part of a continuing process of technical reviews and consultations that also include the sessions of the GM's Facilitation Committee (FC) and the continuous interactions between the GM and the members of the FC.

14. The process of streamlining the administrative procedures of the Global Mechanism has been pursued throughout the year. This has involved routine office procedures as well as the development of standard agreements for the grants provided by the Global Mechanism to support Governments and organisations. The GM has been working with the pertinent divisions of IFAD on these issues.

D. Development of GM Operational Strategy

15. As part of the GM's Operational Strategy (OS), the mobilisation of resources for UNCCD implementation involves an iterative and participatory approach to integrate, on the one hand, NAP objectives and activities into Government processes of strategy formulation, planning, budgeting and negotiation of external funding, and on the other hand, to mainstream NAP objectives and activities into the frameworks of interventions and programmes of financial and technical cooperation agencies.

16. A separate document has been prepared on the OS, in accordance with the request of COP 3 and has been submitted for review by COP 4. As mentioned in the said document, the GM intends to consolidate its OS over the next two years in light of the above clarifications and its evolving experience, as a basis for submission of an updated OS for review by COP 6, as per decision 9/COP.3.

17. As part of its OS, and as requested by COP 3, the GM has begun developing a communications strategy based on the same paradigm as that applied to resource mobilisation, i.e. to mainstream UNCCD related issues into the respective communications strategies of Governments and their institutions, as well as into those of technical and financial cooperation agencies. Consequently, the GM's Communications Strategy is being developed through the elaboration of a Concept Note (with input from IFAD and FAO) for consideration and feedback from regional

stakeholders on the occasion of the forthcoming Subregional and Regional Workshops on Resource Mobilisation and at COP 4.

18. A fully-fledged strategy will be developed on the basis of the Concept Note and consultations with stakeholders for submission to COP 4, together with an updated version of the OS document.

III. STRATEGIC ALLIANCES: OPPORTUNITIES AND CHALLENGES

A. The GM Facilitation Committee: Cooperation with multilateral agencies

19. In order to improve the coordination of interventions in support of UNCCD implementation, the Global Mechanism receives support and advice from a Facilitation Committee as a supportive framework bringing together representatives of IFAD, the World Bank, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the Food and Agriculture Organization of the United Nations (FAO), the secretariat of the Global Environment Facility (GEF), the Convention secretariat, and the regional development banks - the African Development Bank (AfDB), the Asian Development Bank (AsDB) and the Inter-American Development Bank (IDB). The FC thus includes the major multilateral financial as well as technical organizations with a mandate relevant to the UNCCD.

20. The FC is becoming of increasing value to the GM. A reflection of this is that the preparation of a "Business Plan" has been agreed upon which will define how the GM will cooperate with members of the FC so as to provide combined support to countries and subregional organizations in the development and implementation of their Action Programmes. This resolution shows the involvement of the FC as a whole in supporting the Convention, as well as the progressive internalisation of UNCCD objectives within each FC member institution. The World Bank took an important step in this direction by organising a seminar in 1999, bringing together its Senior Management and a number of figures of international standing, who were involved in negotiating the Convention. Similar initiatives are being discussed with other member institutions of the FC.

B. Collaboration with bilateral agencies

21. Bilateral donor agencies are a key constituency of the GM. Indeed, the bilateral donor community has a major role to play in supporting the GM with its own resources and, as mentioned above, the negotiations with a number of donors in this regard are coming to fruition. However, in the longer term, the bilateral donor community has a major role to play as a financier in the preparation and implementation of Action Programmes.

22. In this vein, the GM is strengthening its contacts with a number of other donors at headquarter and country level. However, a mechanism along the lines of the Facilitation Committee, which would allow for the GM to streamline its interaction and cooperation with the bilateral donor community, would be of significant advantage to the GM.

23. The GM has been consulted by the OECD secretariat in connection with its work on preparing an OECD-DAC document on Poverty-Environment Linkages. In response to this, the GM solicited inputs from the members of the FC. These were subsequently summarised by the GM and submitted to the OECD secretariat. Following this initial cooperation, the GM has been requested to provide comments on an OECD-DAC Guideline Document on Poverty. Collaboration with the OECD/DAC secretariat also covered the pilot study on aid targeting the Rio Conventions, whereby the GM provided a comparative analysis of the financial assistance to affected developing country Parties reported by OECD members to COP 3. These initiatives are considered important in the longer-term

perspective in that they provide an opportunity to argue for mainstreaming the Convention and what it represents in any policy documents for the entire bilateral donor community.

C. Partnership with intergovernmental organizations

28. The GM has gained experience in cooperation with intergovernmental organizations over the past two years. Based on this experience related, primarily, to West Asia, West Africa, Latin America as well as to Eastern and Southern Africa, the time has now come to systematize GM cooperation with such organizations, given the number of important functions these organizations fulfil in relation to the Convention.

29. These organizations are often charged with the responsibility of coordinating the formulation and implementation of subregional action programmes involving developing countries. In this capacity, they are the natural partners of the GM, as reflected in the ongoing cooperation between the GM and such organizations in relation to the subregional action programmes already on the GM's agenda (please see below). The GM intends to further develop cooperation with subregional organizations in the context of their role as a forum for policy dialogue and exchange of experiences within their respective regions. The GM also sees these organizations as partners in providing support to individual countries in the development of Action Programmes. This is one way to ensure optimum use of the limited human resources available to the GM. Moreover, the GM intends to develop formal agreements with these organizations, which will serve as a framework for managing such cooperation and through which financial resources will be made available through the GM's Core Account.

D. Partnership with NGOs

30. High priority is given to the involvement of civil society in the Convention. In recognition of this, the GM has developed a special initiative to support NGOs - the Community Exchange and Training Programme, discussed in more detail below. The objective of this initiative is to ensure systematic involvement of NGOs at national and subregional levels. The recognized NGO network, RIOD, is the GM's prime partner.

E. Multiple partnerships for knowledge sharing

31. From extensive consultations with stakeholders, it has become clear that sharing knowledge on supply, demand and flows of funding would not only facilitate the institutional brokering role of the GM, but would also constitute a fundamental prerequisite for effective partnership building, gap analysis, and implementation monitoring, to the advantage of the entire stakeholder community.

32. The Financial Information Engine on Land Degradation (FIELD), developed by the GM in collaboration with the World Agricultural Information Centre (WAICENT) of FAO and IFAD, is a knowledge management system that responds to the above-mentioned purposes.

33. The main comparative advantage of the FIELD system is that it will support stakeholders in their decision-making processes by providing transparency on the status of UNCCD financing, and by facilitating the identification of resource gaps and development partners.

34. One of the key pillars of the FIELD system is that knowledge is originated by the data owners themselves, i.e. recipient organizations and their development partners), who are requested to identify relevant information at the source (e.g. country-level databases) and enter it on a regular basis into FIELD using its standard definitions and classifications. This makes FIELD a knowledge management system with decentralized responsibilities for data collection, codification, maintenance and sharing.

31. In order to rapidly collect a "critical mass" of data, the GM is requesting the active participation of many "FIELD Partners", from both the donor and recipient communities. Collaboration will not only cover the initial collection of data and the establishment of systematic knowledge management and maintenance procedures, but also the development of electronic templates for the preparation of reports to the COP, capacity-building, language support, fine-tuning of the system, and awareness promotion.

IV. OVERVIEW OF GM ACTIVITIES IN SUPPORT OF UNCCD IMPLEMENTATION SINCE COP 3

A. Catalytic support to resource mobilization through mainstreaming of National Action Programmes in Africa, Asia and Latin America

32. In response to incoming requests, the Global Mechanism is working with a number of countries in Africa, Asia and Latin America and the Caribbean. An increasing number of Governments are seeking GM support in relation to the formulation and implementation of their National Action Programmes. While most countries have initially approached the GM for specific assistance, the evolving facilitation tasks of the GM have turned out to encompass a broad range of activities. The UNCCD Country Representatives usually indicate their interest in receiving support from the GM during verbal discussions at UNCCD related events, while others approach the GM for assistance once the NAP has been approved. However, where applicable, some form of the GM involvement - as a facilitator - at the planning stage, would be more desirable. This would provide an early opportunity for GM interactions with the concerned Governments, to discuss how the NAP could add value to existing frameworks at sector or national levels. Moreover, early dialogue between the Global Mechanism and the donor community in the concerned countries would facilitate proactive mainstreaming of the objectives and components of the NAP into the strategies and programmes of the said donors. In line with this approach, which is being developed more systematically as experience is gained, the GM is seeking to support NAP implementation by, *inter alia*, providing assistance in identifying the interlinkages between NAPs and other relevant initiatives and development programmes supported by bilateral and/or multilateral donors at national level. This said, the GM will certainly have to base its support to Action Programmes on the current situation in the country, subregion or region concerned and, as made clear through the initiatives already underway (see below), the process is, and will continue to be tailored to the individual situation.

33. In the light of the decisions taken at COP 3, the first two meetings of the Technical Advisory Group of the GM (GM/TAG) were convened in January and June 2000, to exchange views on the overall orientation and content of initial interventions of the GM. This was also an opportunity to initiate discussions on the prospective linkages with ongoing or planned activities of the development partners which bear relevance to the UNCCD. Following this meeting and related consultations with members of the GM Facilitation Committee and bilateral partners, the GM earmarked specific amounts for financial support to national and Subregional Action Programmes in a number of countries and regions, including:

- NAP formulation: Algeria, Haiti, Iran (Islamic Republic of), Mongolia;
- NAP implementation: Argentina, Burkina Faso, China, Cuba, Ethiopia, India, Mali, Pakistan, Senegal, Tunisia;
- NAP formulation/implementation: India, Iran (Islamic Republic of), Pakistan and Mongolia.

34. Facilitation grants were approved in favour of the concerned Governments, for an aggregate amount of US$1,080 million.

35. Since the second meeting of the GM/TAG, a number of other requests from county Parties have been received, these include the Democratic Republic of the Congo, Egypt, Mauritania, Morocco, Uganda and Zimbabwe. The GM is preparing its support to these countries in line with the intervention cycle illustrated above. A summary of specific interventions at country level is provided in annex I.

B. Catalytic support to facilitate the financing of selected subregional and regional action programmes

36. The aims of the Global Mechanism in relation to RAPs and SRAPs under the UNCCD are:

- to help define the orientation and content of SRAPs at the inception/formulation stage of the consultation process, and support the process of designing and/or validating SRAPs;
- to support SRAP focal institutions in defining the inter-linkages between the SRAPs and the NAPs concerned, and render operational the interface between them;
- to encourage the forging of strategic alliances between subregional bodies whose mandates are relevant to SRAP objectives, especially between organisations with a proven capacity or potential to contribute as co-financiers to SRAP implementation;
- to seek methods and opportunities to foster the relationship between the UNCCD and other Conventions, as foreseen under article 8 of the UNCCD, especially the Framework Convention on Climate Change and the Convention on Biological Diversity. To this end, the Global Mechanism will, inter alia, assist in rendering operational the interface between SRAPs and the focal areas of the GEF (including bio-diversity, climate change and international waters), as they relate to land degradation. In addition, cooperation is also being developed with the Ramsar Convention.

37. In the above context, the Global Mechanism has undertaken to provide initial support to the development of activities in several subregions, including West Africa, West Asia, Latin America and the Caribbean and Central Asia. This includes support for resource mobilisation for:

- The coordinated management of land and water in the shared river basins of Niger and Nigeria (West Africa SRAP);
- The Strategic Plan for sustainable management of the Fouta Djallon Highlands (West Africa SRAs);
- The harmonisation of public policies related to natural resource management and poverty alleviation (Latin America SRAP);
- The Subregional Action Programme for West Asia;
- El Gran Chaco;
- Transboundary Programme for the Island of Hispaniola;
- The Asian Thematic Network on Desertification Monitoring and Assessment;
- The Asian Thematic Network on Rangeland Management and Sand Dune Fixation;
- The Asian Thematic Network on Agroforestry.

38. Facilitation Grants have been allocated by the GM to the concerned subregional or intergovernmental organisation for an aggregate amount of US$400,000. Further information on the various programmes, including the scope of GM intervention, is summarised in annex II.

C. Enabling activities in selected thematic areas to promote capacity-building and knowledge networking at grassroots and institutional levels

39. Enabling activities are supported by the GM in recognition of the priority accorded to capacity-building and legal frameworks under the Convention (article 19), and the need to lay the ground for future investments. The purpose of enabling activities is thus to develop initiatives which address the need for capacity-building and the problem of desertification at policy level. To date, the GM has undertaken to support the following enabling activities:

- an Umbrella Programme for Community Exchange and Training, in collaboration with the International Network of NGOs on Desertification (RIOD); and technical and funding agencies; such as IFAD and the World Bank;
- a Platform for Cooperation on Desertification Monitoring and Assessment as a basis for development and knowledge networking on appropriate indicators across the regions, and as a tool for management decision in respect of continuing allocation of resources to combat desertification.

40. Facilitation Grants have been approved by the GM to the above initiatives for an aggregate amount of US$575,000.

41. The above initiatives are described in annex IV. It is anticipated that additional enabling activities will be launched in due course by the GM on a demand-driven basis, in line with the evolving Operational Strategy.

D. Policy dialogue in relation to strategic opportunities for UNCCD funding in the short, medium and longer term

42. The rationale for engaging the GM in strategic initiatives is to explore the extent to which new and additional funding can be obtained through innovative approaches to financing the Convention. In this respect, article 20 draws attention to the GEF, while articles 4 and 20 draw attention to the debt burden of affected developing countries, and article 8 to interaction with other Conventions. As part of its enabling activities, the GM is pursuing the following through the GEF secretariat and with its implementing agencies:

- Cooperation with GEF;
- Cooperation with the Integrated Land and Water Initiative launched by the CEOs of the GEF secretariat, the World Bank and UNDP, in a special effort to address the serious situation with regard to management and land and water resources, particularly in Africa;
- Cooperation with the World Bank and FAO on the Soil Fertility Initiative, with the objective of harmonising the implementation of this initiative with the implementation of action programmes in particular, at national level and with special emphasis on Africa.

E. Subregional workshops on partnerships and resources for the UNCCD

43. The GM was requested by the Conference of the Parties (decision 9/COP.3, para. 11), "in coordination with the [UNCCD] secretariat, to organise during the year 2000 regional and/or subregional workshops in Africa, Asia, and Latin America and the Caribbean on procedures to access existing financial mechanisms, with the aim of mobilising and channelling financial resources for implementation and the transfer of technologies".

44. The workshops will cover the geographical areas listed below:

- East and Southern Africa, under the aegis of SADC/IGAD (Kenya, 2-4 October 2000);

- West Africa, under the aegis of ECOWAS and CILSS (tentatively early December 2000);
- North Africa (Algiers, 24-26 October) 2000 bringing together the Maghreb countries and Egypt, with participation of frontline Sahelian countries, bearing in mind transboundary ecosystems. Prospects for cooperation with Annex Four countries i.e. Northern Mediterranean, would be also be examined on this occasion;
- Latin America and the Caribbean (El Salvador, 20-21 October 2000);
- Asia (Bangkok, November 9-10 2000).

F. Seeking to benefit from trading in carbon (carbon sequestration) as a source of additional funding for UNCCD implementation

45. This initiative is based on the fact that trading in carbon is already ongoing and that it is related to possibilities to seek synergies with other conventions. As previously reported, the GM is seeking to secure benefits for the UNCCD through the enhanced HIPC initiative launched by the G-7 in 1999. The Italian Government has taken significant steps in response to this initiative, with the support of the Inter-Agency Working Group formed of the three Rome-based United Nations organisations - IFAD, FAO and WFP, in which the GM is also represented. Bearing in mind the ongoing efforts through HIPC, this initiative is directed towards lower-middle income and severely indebted countries with a high incidence of poverty.

G. Policy dialogue

46. In cooperation with the World Bank, the GM is planning a ministerial level seminar for the Ministers of Planning, Finance, Agriculture and the Environment for the Middle East and North Africa regions. The objective is to underline the importance, from a socio-economic, environmental and agricultural point of view, of investing in dryland management. The initiative is intended to be an important contribution to streamlining the Convention and what it represents, into the basic development policies of the Governments of the region.

H. Collection and dissemination of information

47. The collection and dissemination of information on GM activities and UNCCD financing is being performed by the GM with the support of two interlinked information systems: the GM Web site and the Financial Information Engine on Land Degradation (FIELD).

48. In line with the guiding principles underpinning all GM operations, the establishment of the above-mentioned information systems has been carried out with a view to build demand-driven tools for data dissemination and knowledge sharing that would effectively support decision-making. Efforts have been made to capitalise on other institutions' knowledge, experience and expertise, in order not to duplicate existing sources of information, and release systems that are highly flexible and cost-effective in terms of operations and maintenance.

49. The GM Web site is maintained by the Global Mechanism and is hosted by the World Agricultural Information Centre (WAICENT) of FAO, with which the GM has stipulated a collaboration agreement for the development, implementation and maintenance of information systems. The GM Web site can be accessed at the following Internet address: http://www.gm-unccd.org.

50. With regard to the FIELD system, its design was conceived by the GM, in collaboration with its technical partners, with a view to respond to the following information needs:

- the sources and channels of funding potentially available for UNCCD implementation, including their priorities, eligibility criteria, amounts, terms and conditions, and contact information;

- the financial needs of affected developing countries and group of countries for the formulation and implementation of their Action Programmes, expressed in the form of strategic frameworks, programmes or project proposals;
- the projects being implemented or already implemented in the framework of National, Regional, and Subregional Action Programmes, including budgets, project financing, funding and implementing agencies, outputs and land degradation components;
- all other relevant information on UNCCD financing, including non-conventional sources of funding, innovative approaches to resource mobilisation, multi-source or multi-channel funding arrangements, lessons learned and good practices.

51. The information contained in FIELD will be mainly disseminated via the Internet, in the form of an on-line information service accessible from the GM's homepage and from other partners' Web sites. In addition, since the level of access to new information technologies differs from country to country, the GM will use other communication tools, such as CD-ROMs and written reports, so that countries with a relatively poor infrastructure can receive information as effectively as possible. Further information is provided in annex III.

V. ASSESSMENT AND RECOMMENDATIONS

52. As a concluding chapter to this Report an Assessment of Progress is provided below.

A. Guiding principles and action areas

53. The experience of this the year has contributed to solidifying the situation. The document prepared on the Operational Strategy as requested by COP 3 has provided a valuable opportunity for the GM to better express the GM vision and to further improve the understanding of the GM within the broader group of stakeholders. The preparation of an accompanying Communications Strategy, with a set a communications tools will further this process. As pointed out in the document on the Operational Strategy, there are three concepts that define the GM. These are Partnership Building, Mainstreaming and Multiplier Effect. Partnership building and mainstreaming are prerequisites for successful mobilisation of resources and the multiplier effect is a measurement of the effectiveness of the services provided by the GM.

54. Given that the GM has had a year of even more effective operational experience, it has also been possible to better define its intervention cycle. This should make it possible for the GM to become more expedient in future and to carry through its commitments in a more streamlined manner and thus be more effective in the support it provides. One shortcoming of this year, is that GM intervention has not been planned through its full cycle at the initial stage, largely due to the Global Mechanism's limited human resources and the fact that the GM is pioneering a new form of approach to resource mobilisation. It should now be possible to rectify this shortcoming. Experience should, however, lead to further improvements in the coming year.

B. Human and financial resources

55. It has become clear that for the GM to be able to fulfil its functions in a timely and efficient manner, the number of Professional staff within the office will need to be increased. Recognising the priority given to Africa in the Convention, it is recommended that two Programme Officer posts be added to the GM core staff. It is also recommended that a Communications Officer be recruited, given the important role the GM has in this area. As mentioned in the Report, two Programme Officer posts were filled during 2000, one with main responsibility for Latin America and the Caribbean and the other with main responsibility for Asia and North Africa. These additional human resources have

highlighted the demand that exists for the GM's services and thus the need for additional human resources. This issue is discussed further below in relation to the GM's budget.

56. With regard to financial resources available to the GM for its operations and catalytic interventions, the contribution provided by IFAD has allowed for the GM to fulfil this function. It is very encouraging that in addition to the collaboration between the GM and the World Bank on substantial issues, the Bank is now also contributing financially and, it is expected that within the next few months, the bilateral donors who have already contributed to the GM, will be joined by others. It should be pointed out that in IFAD's offer to house the GM and contribute to the SRCF account, it was made clear that further contributions beyond the first instalment of US$2.5 million would be contingent to other donors' contributions.

C. Cooperation with the FC

57. Cooperation with the FC and its individual members has developed rapidly over the year, with the important decision to develop a business plan for GM/FC cooperation in support of planning and implementation of Action Programmes. With regard to cooperation with individual institutions, the fact that the World Bank is now financially contributing to the GM is a major development. It is also gratifying that programmatic and financial cooperation has been initiated with the AsDB, and it is hoped that this will serve as a model for similar developments with the two other Development Banks in the year to come. Cooperation with GEF is expanding both with the secretariat and with its implementing organisations. Interaction with the UNCCD secretariat has also developed further during the year, both with regard to a number of initiatives in which the secretariat has had a leading role with the GM joining the process at a later stage, (such as in the case of China), and with regard to initiatives which have been commenced during the year, such as the Regional and Subregional Workshops and in relation to supporting Action Programmes in which the GM has a more central role.

D. Cooperation with the Bilateral Donor Community

58. Cooperation with the Bilateral Donor Community, as pointed out in the Report, is very important to the GM. Its contribution to the GM as such has already been described. Interaction with bilateral donors at country level as financial contributors to Convention implementation is, of course, crucial for the success of the Convention, and in this respect, the GM has developed contacts at country level. However, a mechanism similar to the FC for interaction with the bilateral donor community would be of immense value to the GM. It is not yet obvious how this could be organised and this will be the subject of discussions in the year to come.

E. Support to action programmes and resource mobilisation

59. With regard to supporting action programmes at country, subregional and regional levels, progress made on each initiative is annexed to this report. As an overall assessment, it is recognised that at times, progress has been slower than anticipated in some cases due to developments beyond the GM's control, and at other times due to shortcomings on the part of the GM - primarily limited staff resources.

60. In terms of resource mobilisation, it should be mentioned that the catalytic resources the GM has provided have triggered additional resources from other donors and organisations as follows:

- PDF-A grants provided by UNEP-GEF for two initiatives in West Africa that will be followed by PDF-B grants for the same initiatives;

- the AsDB is co-financing the regional support provided for some Asian countries;
- FAO Investment Centre is contributing 50 per cent over and above what the GM provides as planning grants following an agreement between IFAD and FAO/IC from which also the GM is benefiting.

61. The World Bank, UNDP and UNEP are also important contributors to the activities of the GM. These planning grants, or catalytic resources provided by the GM and its partners are to be followed by substantial investments in projects and programmes. Although final agreements are still to come, it is possible to foresee that such investments will be in the order of several million US$. The multiplier effect of the interventions of the GM should therefore be substantial. This is as important parameter for evaluating the effectiveness of the services rendered by the GM. The GM will therefore develop a systematic way of monitoring its multiplier effect and report on this in future reports to the COPs.

F. The GM knowledge management system

62. The GM is positioning its knowledge management system (FIELD) at the basis of its matching function between demand and supply of funding for UNCCD implementation. In this connection, substantial progress has been made in shaping the design of the system to meet the functional requirements of the stakeholders and to build an effective and efficient tool in support of decision making and action taking.

63. FIELD provides a common platform for codification of financial data, knowledge sharing, and bridge building. Implementation of the FIELD system is well under way and a working prototype is available from the GM Web site. It will be used at the fourth session of the COP to show a preliminary inventory of available financial resources.

64. Decentralised thematic leadership, a sense of ownership, and shared responsibility for data collection are key factors to ensure sustainability, coverage, and functional effectiveness of the FIELD system in the immediate future. It is for this purpose that the GM has undertaken a number of pilot activities involving various 'FIELD-Partner' countries and institutions in testing the system and uploading relevant information collected at the source. These pilot activities will serve as models of collaboration to be replicated with the largest number of data owners.

65. The next step is for all interested stakeholders to collaborate with the GM in fine-tuning the FIELD system, maintaining it, and support its deployment at country level. It is therefore recommended that the COP encourage all UNCCD Parties to collaborate with the GM in this process and become FIELD Partners.

G. Issues for follow-up in GM institutional development and proposal for budget revision

66. In the light of GM experience and repeated calls from Country Parties for a more proactive role for the GM, there is a pressing need to strengthen the staff capacity of the GM (as foreseen in the original submission of the Host Institution). This would permit the GM to respond efficiently to a growing number of requests for assistance, and to add value, in a timely fashion, to the collaborative work of the Facilitation Committee members.

67. The current situation should also be seen in relation to the budget proposal for the years 2000 and 2001 presented by the GM to COP 3. The amount requested for the two years was US$1.75 and 2.5 million respectively. The amounts allocated by the COP were US$1.30 and 1.35 respectively. The most significant consequence of the reduced allocation is that the recruitment of both Professional and General Service staff has been, and will continue to be,

hampered. As compared to the original plans, the GM is short of one Professional staff member for 2000 and two Professionals for 2001. In terms of General Service staff, the office has one staff member less than anticipated for 2000, and two and a half less than anticipated for 2001.

68. The approved budgets should be compared with the proposals made by both IFAD and UNDP when they offered to host the Global Mechanism. Both organisations calculated that a well functioning and efficiently operating GM office would require a yearly budget of approximately US$3 million.

69. However, already at this stage it is clear that for the Global Mechanism to respond to the ever increasing workload in a more timely and efficient manner, the budget proposed for the year 2000 be allocated for the year 2001. This would mean an increase of US$400,000 as compared to the approved budget. It would allow for the recruitment of another two Programme Officers and to increase the General Service staff by two and a half posts. The shortage of staff has resulted in an excessive workload for existing staff that has only partially been compensated for by hiring consultants.

Annex I

SUPPORT TO NATIONAL ACTION PROGRAMMES

WEST AFRICA

Burkina Faso

1. In Burkina Faso in recent years, the Government developed the NAP with financial support from bilateral and multilateral donors, including, *inter alia*, The Netherlands and IFAD. The next steps towards implementing NAP in Burkina Faso will involve a multi-track approach, including: the formulation of local area development programmes (LADPs); identification of the interface between NAP activities and relevant ongoing projects and programmes; arrangements for identification and dissemination of best practices in land-degradation control and related support measures; rationalisation of the policy framework in respect of direct and indirect incentive systems for land-degradation control; and establishment of a national desertification fund with prospective contributions from the Government, bilateral/multilateral donors and the private sector.

2. In this context and as agreed with the Government of Burkina Faso, the Global Mechanism has undertaken to support the implementation of the NAP in various ways, including:

- assistance for harmonisation of NAP with the Soil Fertility Initiative supported by the World bank and FAO (in recognition of the interlinkages between soil fertility and land degradation);
- elaboration of local area development programmes (LADPs) and support to the policy dialogue on incentive systems for natural resources management; and;
- establishment of the national desertification fund (NDF) in close consultation with other interested development partners, involving, *inter alia*, provision for technical support to finalise the related operational modalities, as well as a financial contribution towards the initial capitalisation of the NDF.

3. An initial allocation of US$130,000 has been earmarked from GM's SRCF account, as a catalytic resource in support to the process described above. The need for/additional allocations and the size and timing of such allocations, will be determined in due course, based on the actual disbursements from the initial allocations, progress made in implementation, and the availability of co-financing opportunities.

Mali

4. A Round Table on environment financing was organised by the Government of Mali in May 1999, with the participation of representatives of the donor community, the UNCCD secretariat and the Global Mechanism. On this occasion, various donors made statements of interest with respect to the priority action areas for UNCCD implementation in Mali, covering, *inter alia*, the rational management and conservation of water resources, pasturelands, forest and fauna, and environmental information.

5. The next steps in mobilising resources - for which the assistance of the Global Mechanism as an "honest broker" was requested - will involve the identification of the interface between the NAP priority-action areas on the one hand and, on the other, the ongoing or planned interventions of various donors and specialised agencies. To this end, Mali was selected as one of the pilot countries for the "Business Plan" approach as adopted by the GM Facilitation Committee. The funding gaps and the arrangements for mobilisation of additional resources will be identified as a result of a participatory and iterative

process, in the context of the Government's decentralisation policies. Special attention will also be given to establishing an information system at national level, which would interface with the GM's global database. The Mali database - managed at local level by concerned institutions - would contain relevant information on flows and sources of funding for UNCCD implementation at the national level, as well as on best practices in land degradation control and support to capacity-building at the community level. Emphasis would also be placed on assisting, in consultation with development partners, the Government of Mali to harmonise its public policies in relation to natural resources management. At the same time, the Government would initiate systematic coordination activities with the view to a progressive removal of inconsistencies in the terms and conditions of donors support measures at the field level, for the sake of long-term sustainability.

6. A three-month work plan has been dawn up in collaboration with the members of the GM Facilitation Committee, bilateral partners (including the GTZ) and the OECD secretariat for implementation by the FAO Investment Centre. The Work Plan would culminate with the organisation of a Government-donor consultation by end 2000 to validate the approach and provide guidance for subsequent steps, under the aegis of the 'Commission Paritaire' as a joint consultative body bringing together government ministries and donor representatives.

7. An initial allocation in the amount of US$130,000 was allocated from GM's SRCF account, as a catalytic resource in support to the above process. The need for additional allocations and the size and timing of them, will be determined in due course based on actual disbursements from the initial allocations, progress made in implementation, and the availability of co-financing opportunities. Meanwhile, the GM contribution has been supplemented by technical assistance from FAO totalling an amount equivalent to US$50,000, in addition to specific parallel contributions from bilateral and multilateral partners.

Senegal

8. The Government of Senegal was one of the first to ratify the Convention and to complete its NAP, with support from bilateral and multilateral donors. The Government recently drafted a medium-term priority programme in close collaboration with NGOs and farmer organisations, including pilot activities to test innovative institutional approaches and co-financing arrangements. On the occasion of contacts between the Global Mechanism and the Senegalese authorities (including the Ministries in charge of Planning, Finance, the Environment and Agriculture and Livestock), the Government reiterated its commitment to earmark counterpart funds for the priority programme, in an effort to attract external funding.

9. An iterative and participatory process will be followed in defining the interface and establishing operational linkages between the NAP (including the medium-term priority programme) and other relevant projects supported by multilateral and bilateral donors. This systematic approach will also encompass sectoral programmes and policy initiatives at the national and subregional levels, as indicated above for Burkina Faso and Mali, including harmonisation of the NAP with the Soil Fertility Initiative, and identification of the interface with the national poverty reduction strategy.

10. At the same time, a set of pilot projects are to be launched by the Government in various agro-ecological zones with emphasis on the mobilisation of women and the youth, to test a test number of parameters that are critical for a full fledged implementation of the NAP, including:

- the effectiveness of partnership agreements between the Departments and Programmes with complementary mandates and activities;
- the implementation capacity of the Ministry of the Environment, and;

- the coordinating and monitoring capacity of the national Coordinating body (CONSERE).

11. In terms of NAP financing, the need for additional resources and the amount required, will be determined in light of the iterative process noted above. However, as regards the potential channels for NAP funding, the establishment of National Desertification Fund has already been subject of extensive discussions between the Government and civil-society organisations. The Global Mechanism, for its part, is prepared to provide technical and financial assistance to move this process forward. Another significant (but not exclusive) financing option could be the re-conversion of external public debt, in support to implementation of the NAP as a broad-based, poverty-oriented framework that encompasses not only support to agricultural production and resource-conservation activities, but also provides for socio-economic infrastructure and services as incentives for natural resource management. The Government has completed the drafting of a national framework for debt conversion, and the Global Mechanism has undertaken to assist in establishing necessary linkages with the NAP implementation.

12. An initial allocation of US$130,000 has been earmarked from GM's SRCF account (to be supplemented by technical assistance from FASO and parallel contributions from bilateral partners), as a catalytic resource in support to the above-described process. The need for additional allocations and the size and timing of them will be determined in due course, based on actual disbursements from the initial allocations, progress made in implementation, and the availability of co-financing opportunities.

NORTH AFRICA

Algeria

13. A formal request from Algeria was addressed to the Global Mechanism in January 2000, and the amount of US$50,000 has been earmarked to provide the catalytic funds to launch the NAP process.

14. Algeria started its Programmes and Projects to combat desertification in the Seventies, and was one of the first countries to sign the Convention. Algeria has now made all the necessary institutional arrangements to support the development and the implementation of the NAP. A National Coordinating Committee was created in 1998 including all the stakeholders from diverse sectors including civil society representatives. The involvement of civil society in the UNCCD implementation process has been identified as a major element for consideration. Indeed, a National Committee of NGOs to fight again desertification has been created and includes more than twenty NGOs both at the national and local level. This committee is a member of the RIOD network. In Algeria where 80 per cent of the territory is affected by desertification, the main challenges are to bring about coordination among partners, to ensure the mainstreaming of the NAP into National Development strategy and to be able to mobilise resources for the purpose or combating desertification.

15. GM support will be provided in partnership with other United Nations Agencies. Discussions have been held with the FAO Investment Centre. Moreover, UNDP/UNSO has allocated an amount of US$100,000 to Algeria to support the development of the NAP and hence the GM's approach will take into consideration the approach and methodology developed during the UNDP/UNSO identification mission in March 2000. Finally, the secretariat of the UNCCD as an important political partner, is supporting and assisting the organisation of a joint mission with the Italian Government.

16. The GM's approach to supporting the Algerian Government will be defined during the forthcoming Regional meeting for Africa, in Algeria from 22 to

24 October 2000. The opportunity will also be taken to organise a side meeting with all interested and present partners, during the Regional Meeting.

Tunisia

17. Tunisia was one of the first countries to ratify the Convention. It has already developed a National Action Programme, established a national desertification control fund, created national and regional desertification control committees, and an inter-sectoral coordination mechanism.

18. Tunisia sought GM support in order to internalise NAP objectives within national policy and development cooperation framework. A GM Mission was therefore organised to:

- map out the thrust and objectives of potential GM assistance, and;
- discuss modalities for launching the NAP.

19. Accordingly, it has been deemed necessary to establish a framework for cooperation involving the following broad thrusts:

- development of a framework for localised development along the lines of the NAP;
- identification and exploitation of financing opportunities to pursue actions inscribed in the NAP;
- integrated treatment of transboundary ecosystems for managing shared resources between neighbouring countries;
- capacity-building, in terms of ability to assimilate funds during execution encompassing identification of objectives;
- methodology to appraise projects and select investment for Environmental Impact Assessment and beneficiary participation;
- categorisation of problems, and exchange of experience between decision-makers, techniclans and communities;
- identification of Monitoring & Evaluation indicators as regards resource allocation, socio-economic and biophysical impact.

20. To establish such a framework, it is necessary, with support from GM, GTZ and IFAD and the secretariat of the UNCCD, to convene a National Workshop on Partners and Resource Mobilisation. The objectives of the Workshop, slated for the month of March 2001, are to use the NAP as:

- a framework within which to integrate both national and development policies and strategies; and;
- a reference point for planning and formulation of the 5 year socio-economic development plan.

21. The anticipated results of the Workshop are:

- to establish a mechanism for operational integration between national institutions and development partners, which would facilitate negotiation of partnership agreements founded on the NAP;
- to prepare and finalise programmes developed according to the 5 priority themes identified during the GM mission and based on the NAP;
- to sensitize and mobilise national actors and development partners; and to exchange views on interventions underway or planned;
- to identify the roles and responsibilities of the various stakeholders.

22. An initial allocation of resources of US$50,000 has been made as a grant by the GM. GTZ and IFAD are planning financial contributions in support of the process.

Morocco

23. A request has been submitted to the Global Mechanism to support the NAP implementation and a reconnaissance mission is planned for the last quarter of 2000. GTZ is a potential partner, which has been supporting the development of the NAP. The approach to GM support and its outline of its scope will be identified during this mission keeping in mind the ultimate objective of forging partnerships for resource mobilisation. As a follow-up to the UNDP/UNSO-supported workshop for dryland management and UNCCD implementation, held in Beirut 3-5 May 2000, UNDP/UNSO has proposed to collaborate with the GM in this process. UNDP/UNSO has already earmarked US$100,000, which could be used to support this process.

ASIA

Kazakhstan

24. The Global Mechanism has already begun supporting countries in the subregion of Central Asia at national level. This support includes participation from its inception in a World Bank-initiated and GEF co-financed Dryland Management Project (DMP). In addition, the GM has also assisted in broadening the basis of partnership, as illustrated by IFAD's decision to join in the formulation mission.

25. The overall development objective is the conservation, rehabilitation and sustainable use of natural resources in marginal cereal growing areas in the Shetsky Rayon of Karaganda Oblast in Kazakhstan. The project, involving the active participation of local communities, will assist the Government of Kazakhstan in:

- developing alternate land uses, rehabilitating ecosystems for conservation of improved plant and animal bio-diversity and carbon sequestration;
- improving living standards through income generation and agricultural diversification;
- promoting public awareness and a replication strategy so that project activities could be replicated in other similar areas of Kazakhstan and elsewhere in Central Asia.

26. The next step for GM involvement will consist in facilitating linkages between the DMP and relevant strategic thrusts under the NAP for Kazakhstan, the prospective SRAP for Central Asia, the RETA Initiative, and in facilitating the mobilisation of resources.

Kyrgyzstan

27. A request was sent for GM's consideration following consultations with the UNDP Office in Bishkek, with reference to the following three pilot interventions, as a basis for sustainable management of transboundary ecosystems shared with other Central Asian States, including Uzbekistan, Kazakhstan and Tajikistan in particular:

- pasture management in transboundary areas;
- monitoring of the salinisation and swamping of irrigated lands in the valleys of the Central Asia, based on the example of the Chui Valley in Kyrgyzstan;
- measures to combat rural poverty, including support to agriculture production and marketing in the Central Asian States.

28. This request will be given consideration in the framework of the Regional Technical Assistance Programme (RETA) initiated by the Asian Development Bank and co-financed by the Global Mechanism.

China

29. With the assistance of the Global Mechanism, the secretariat of the UNCCD and other development partners, the Chinese authorities plan to organise a National Consultation on partnerships and resource mobilisation for UNCCD implementation, particularly in the Western Region, in early November 2000.

30. The consultation (followed ny a field visit), will bring together participants from Government Departments concerned with natural resources management, planning and economic development in China, multilateral and bilateral financial and technical cooperation agencies, and interested intergovernmental and non-governmental organisations which might be able to contribute financially or technically to the implementation of China's National Action Programme (NAP) to Combat Desertification.

31. The participants will be invited to share lessons learned and best practices that bear relevance to the NAP implementation process in China, with reference to natural resource management, alternative rural livelihoods and socio-economic infrastructure and services, policy harmonisation and institutional coordination. Special attention will be paid to:

- identifying and rendering operational the interface between the NAP/UNCCD and the relevant sectorial and national strategies and policies of the Government;
- mainstreaming the NAP/UNCCD objectives and activities into the strategies and programmes of development partners;
- reviewing the various options and mechanisms for financing the NAP/UNCCD, including public and private sources as well as innovative funding mechanisms.

32. A joint mission was organised in early July 2000 by the GM and the UNCCD secretariat, which resulted in the drafting of a framework paper on the approach to matching supply with demand for UNCCD financing in China, together with a platform of investment containing not only the project proposals from provincial authorities, but also a discussion on the linkages with the Western Region Development Strategy, while leaving the opportunities open for new interventions as a result of the continuing dialogue between the Government and the development partners.

33. In this connection, the GM and other partners will assist China in carrying out pilot activities for the establishment of an information system interfaced with the GM's Financial Information Engine on Land Degradation (FIELD). This information system will capitalise on existing databases, resources and technologies, and will benefit from the experience of the establishment of the regional desertification information network (TPNI).

34. It is anticipated that the case of China will substantially contribute to developing the GM's approach to partnership building around resource mobilisation for NAP implementation.

LATIN AMERICA AND THE CARIBBEAN

Argentina

35. At present, the UNCCD Focal Point, Government agencies and NGOs in the region are seeking financial support from the Global Mechanism for specific activities under the NAP. On these grounds, GM is responding to requests that will consolidate the implementation of the Convention at local, provincial, national and transboundary levels. The requests provide the basis for a proactive role with regard to defining investment opportunities that fight land degradation and desertification. The partners in this process include

scientific institutions, national and provincial Governmental agencies, NGOs and small producers and communities.

36. Collaboration between NGOs and governmental agencies to combat land degradation are geared towards capacity-building in degraded areas and the exchange of knowledge. This exchange of knowledge fits into the Enabling Activities of the GM. The Community Exchange Programme and proposals with detailed activities have been submitted to the GM for consideration under this Programme. Early exchange of collaboration in areas of common interest has been started with GTZ in support to Argentina's NAP.

37. The GM has allocated an amount of US$50,000 to support the process. This will include financial support for a workshop for the final selection of indicators of land degradation and desertification. This workshop intends to consolidate efforts on the selection of a set of desertification indicators in pilot communities for their evaluation and validation. The outcome will be the elaboration of a proposal for the use of this set of indicators by different communities in Argentina. This initiative will be the base for the exchange of experiences in the application of indicators for land degradation in the Gran Chaco Subregional Action Programme.

38. The Global Mechanism will build on already established partnerships with the Government of Argentina, the Environmental Institutional Development Programme (BID/SRNDS), the National Desertification Institute of Technology in Agriculture (INTA), GTZ Apoyo PAN/GTZ Project and the international support of United Nations Agencies such as FAO, UNEP and UNDP.

39. A mission for the formulation of priority needs and links with the different requests from Argentina will be planned in collaboration with the Investment Centre of FAO in the last quarter of 2000 with the Centre's assistance.

Cuba

40. The Global Mechanism has received a request for financial support to the NAP process in Cuba from the Director of International Collaboration of the Ministry of Science, Technology and Environment.

41. In 1997, the Government of Cuba ratified the Convention of Desertification. In view of the importance of managing the natural resources of the Cauto River, a project addressing issues of land degradation of this river basin emerged as an effort towards the implementation of the National Action Programme for Cuba (NAP). The first phase of this Project, entitled "Integrated Planning and Management of the Natural Resources of the Cauto River", aimed at developing methodologies on land-use management. To this end, a participatory planning methodology was developed and put in practice in pilot areas. This methodology is now used in other areas.

42. The Global Mechanism has made an initial allocation of US$80,000 from its SRCF Account, as per the Government's request. These funds will contribute to further developing the methodology, so that it can be used on a wider scale, thus contributing to addressing the issue of desertification in Cuba. To this end, a reconnaissance visit has been planned to take place during the last quarter of the year.

43. In addition to the above, the FAO Information Centre (WAICENT), FAO will provide technical resources and will work in partnership with the GM to organise a national workshop on the information system in support of the Cuban NAP. This national workshop will lead to the sharing of information of common issues related to development, and the use of natural resources, while at the same time, strengthening national institutions.

44. The Global Mechanism is in the process of creating synergy for this project by establishing contact with the Ministry of Science, Technology and the Environment (CITM). There is potential for co-financing opportunities for the above work. The potential participation of partners such as IFAD, FAO, UNDP and the IDB are to be further explored.

Haiti

45. The Ministry of Environment of Haiti has shown interest in launching the NAP. Haiti has been identified during the Executive Meeting of ORULAC V in Lima, as a priority country for the region. The GM has incorporated this priority into its work plan, placing special attention in supporting the country's efforts in the identification of activities, partners and resources for the launching process.

46. In response to the formal request of the Ministry of the Environment and the Focal Point to UNCCD, a workshop for the launching of the NAP in Haiti will be the starting point in the identification of necessary stakeholders in the region. To start the process of consultations needed for an effective implementation of the NAP, the GM has earmarked an amount of US$40,000.

47. In this context, the GM has fostered close collaboration with on-going projects in IFAD's Latin America Division. The link with on-going IFAD projects in the field will help shape collaboration within the donor community and to strengthen efforts within a common framework of action.

48. The Focal Point for the UNCCD for Haiti was invited to visit the GM with the objective of developing a project proposal for a workshop as the first activity towards an active launching of the NAP process, and a mission to Haiti is planned in coordination with the Focal Point of the CCD in the new Government. The foundations for collaboration are already laid to support the launching process of the NAP in Haiti.

Annex II

SUPPORT TO SUBREGIONAL AND REGIONAL ACTION PROGRAMMES

AFRICA

The Subregional Action Programme for West Africa

1. The Subregional Action Programme for West and Central Africa was approved at the expert and ministerial levels in Lomé in May 1999, on the occasion of a meeting funded, *inter alia*, by IFAD and the Global Mechanism. Several themes were identified under the SRAP, which related to the management of shared water resources, sustainable agriculture and rangeland management, renewable energy, migratory pest control, early warning systems, subregional integration and infrastructure and amongst others, communication.

2. The organisations designated as thematic leaders included one NGO network, intergovernmental bodies, subregional economic integration organisations, and specialised regional technical agencies. The SRAP was adopted by the Heads of State under the aegis of the subregional liaison centres, namely the Economic Community of West African States (ECOWAS) and the Permanent Interstate Committee for Drought Control in the Sahel (CILSS). Meanwhile, both liaison centres organised a follow-up seminar, with a financial contribution from the Global Mechanism. It brought together the eight thematic focal points to take stock of progress made, and to agree on a common approach to SRAP implementation. This was followed by a meeting on shared water resources with the participation of intergovernmental bodies involved in management of shared river basins and lakes in the west and central Africa subregion. They presented their respective mandates and activities, and the prospects for creating synergies between their respective interventions and the relevant initiatives at the national and subregional levels. The GM is currently supporting two initiatives related to the water resources component of the SRAP.

a. Niger/Nigeria - Coordinated Management of Shared Natural Resources (land and water) in Shared River Basins

3. The case of the shared river valleys between Nigeria and Niger (i.e. the Maggia Lamido, the Goulbi Maradi and the El Fadama and the Komadougou Yobe) provides a typical illustration of the role that the Global Mechanism could play in addressing the negative externalities that stem from unconcerted utilisation of common water resources.

4. Over the past two decades, the combined effects of the construction of dams, inefficient irrigation systems, land degradation, erratic rainfall and high evapo-transpiration, have jeopardised the financial viability and the environmental sustainability of investment projects sponsored by the private and public sectors. Previous attempts to implement the 1990 Maiduguri Agreement on equitable management and utilisation of shared water resources have fallen short of their objectives, for want of a comprehensive strategic framework and effective linkages with field operations. Against this backdrop, the Global Mechanism recently took the lead, upon request from the World Bank and in collaboration with FAO, in facilitating the elaboration of a strategic plan for implementation of the Maiduguri Agreement. This new initiative has good chances of success, as it takes place within the context of the SRAP West and Central Africa under the UNCCD. It also takes into account that negative externalities are reciprocal and that the two Governments are determined to find a solution acceptable for both parties. The FAO/IC prepared an issues and options paper to this end.

5. A stakeholder workshop was organised in July 2000, under the aegis of ECOWAS, CILSS, and the Niger/Nigeria Joint Cooperation Commission (NNJCC), to

review and endorse the strategic plan for implementation of the Maiduguri Agreement. The workshop was co-financed by UNEP/GEF and the Global Mechanism. As a result of the workshop, a proposal for a GEF Planning Grant is being processed. The plan, which is to be developed, will include cross-border activities under the auspices of the NNJCC, as well as local level activities that will be covered as part of ongoing or planned donor-funded programmes at the field level. It is anticipated that the GEF planning grant will lead to a full GEF project, to co-finance the implementation of strategic plan for sustainable of natural resources (including shared water) in the transboundary areas. The strategic Plan will also benefit from contributions from various donors either directly, or indirectly, i.e. through their respective programmes at national level. This would be the case of the World Bank, which would provide institutional support to the NNJC through the National 'Fadama' Development Programme, currently under appraisal.

b. The Fouta-Djallon Highlands - A Strategic Action Plan for Sustainable Management of Natural Resources

6. In mid 1999, a meeting held at ministerial level in Bamako, Mali, brought together the Fouta Djallon regional stakeholders and resulted in important decisions including, *inter alia*:

- provision of an international legal status for the Fouta Djallon highlands;
- drafting of a strategic plan for sustainable development of the Fouta Djallon Highlands, in the framework of the subregional plan of action to Combat Desertification (SRAP) in West and Central Africa;
- the direct involvement of regional economic integration organisations and funding institutions (ECOWAS and AfDB), as a follow up to previous political sponsorship of the OAU.

7. On the occasion of the first meeting of thematic leaders under the SRAP for West Africa (organised with GM funding) contacts were established with the International Coordination Office for the Fouta-Djallon Highlands Integrated Development Programme sponsored by the Organization of African Unity (OAU). Subsequently, the Global Mechanism was formally requested to assist in coordinating the mobilisation of international assistance for elaboration of terms of reference for a Strategic Plan of sustainable development. The Highlands have been confronted, *inter alia*, with problems of land abuse, including overgrazing, deforestation, over-cultivation and bush fire (for fuel wood production). The strategic importance of such a Plan is based on the recognition that a sustainable development of the Fouta-Djallon Highlands, also known as the "water tower of West Africa", would be a precondition for sustainable resource management on the six major river basins covering eight countries in the region.

8. GM collaboration with development partners resulted in the organization of a regional stakeholders' workshop (Labé, Guinée) with funding from UNEP/GEF, FAO and the GM where the terms of reference for the strategic plan were elaborated. The formulation exercise will be funded by a GEF planning grant, with co-financing mobilised by the GM as per the mandate received by the participating Governments. The Global Mechanism is currently promoting an active role of other development partners in this process (including members of the GM Facilitation Committee such as the World Bank, IFAD, AfDB, UNDP, and other multilateral and bilateral donors, taking into account, *inter alia*, their current interest in the Senegal and the Niger river basins, as well as field investments and or/technical assistance in area-based projects funded by them at country level.

Arab Maghreb Union

9. A formal request from the secretariat of the Arab Maghreb Union has been submitted to the Global Mechanism for support for the implementation of Information System on Desertification and Environment developed in collaboration with the Sahara and Sahel Observatory. The request for support is linked to the SRAP for AMU, coordinated by a unit, created within the AMU secretariat for the purpose of facilitation implementation of SRAP. In order to respond to this request, a mission is planned for the last quarter of 2000 to discuss the GM's support with regard to other on-going activities and to develop the GM approach to support the SRAP in a holistic approach that is not only limited to the Information system. The Islamic Development Bank is interested in supporting the Arab Maghreb Union SRAP.

ASIA

Subregional Action Programme to Combat Desertification in Central Asia

10. On the occasion of a consultation meeting bringing together the countries of the Aral Sea Basin (18 July 2000, Bishkek, Kyrgyzstan), the Ministers from Central Asian States agreed that: "The preparation and implementation of the SRAP/UNCCD should be considered as an integral part of the countries' national policies for sustainable development. The framework for subregional cooperation should embrace not only the NAPs but also other national plans of action in the field of improving the ecological situation in the Aral Sea Basin". The SRAP would thus appear as a tool for harmonising, complementing and increasing the efficiency of the National Action Programmes (NAPs).

11. One example of how the GM fosters partnerships and linkages between National Action Programmes and related initiatives at country level, is the ongoing process to harmonise the National Action Programmes of Kazakhstan with the SRAP. The SRAP could be considered as a rolling programme of which the Drylands Ecosystem Management Project in Kazakhstan is one component. It should build on national projects that are designed to address critical issues of desertification on a country-by-country basis. This would provide opportunities for the countries concerned to share and learn from each other, thus enhancing the capacity-building efforts between countries and establishing a dynamic network that can add value to each national activity and further complement it.

12. This initiative will be supported through the joint initiative of the AsDB, as described below.

Regional Technical Assistance Programme to Support Asian Countries (RETA) - a Partnership Arrangement with the Asian Development Bank

13. As a co-financing contribution to an umbrella grant from the Asian Development Bank, the GM has earmarked an amount of US$200,000 in support to action programming or NAP implementation in India, Pakistan, the Central Asian Republics, China and Mongolia. It is expected that other partner organisations such as NGOs, the UNEP Regional Office for Asia and the Pacific (ROAP), the Global Environment Facility (GEF), the International Fund for Agricultural Development (IFAD) and the UNCCD secretariat will also be associated with this initiative, as will interested bilateral partners that are yet to be identified. Positive dialogue has taken place with each of the above specified organisations, as well as with United Nations Office to Combat Desertification (UNSO) and World Bank Drylands Programme.

14. The RETA planning grant will complement ongoing activities in support of UNCCD implementation through a set of regional activities aimed at strengthening the capacity of UNCCD National Focal Points to initiate and launch UNCCD national action programming, as well as establishing stakeholder mechanisms to

support national action programming processes, and to promote partnerships with developed country Parties to the Convention and other donors will finance one or more of the following:

- the preparation regional, subregional or national policy/strategy papers to address issues identified at the regional workshop, and strengthen their national action programming;
- the convening of national and/or subregional forums on UNCCD implementation, that will bring together stakeholders including civil society and NGOs;
- the identification of investment, technical assistance and capacity-building concepts for financing by developed country Parties, multilateral donors, including the GEF, and the Clean Development Mechanism.

15. The main outputs will include a national action programming process in participating countries, a policy dialogue agenda on dryland management, and a pipeline of investment and capacity-building concepts for consideration by GEF (under the ADB/GEF partnership arrangement), ADB, and other donors.

16. The RETA initiative will be launched at the regional workshop of UNCCD National Focal Points in Bangkok. This will be followed by work with countries both individually and collectively, to develop guidelines and strategies based on the priority issues identified at the workshop.

Subregional Action Programme for West Asia

17. Efforts to address the effects of the challenges of combating desertification require strong cooperation between the member countries of West Asia, through a coherent framework. The SRAP document presented by GM to the member countries of the subregion at the Dubai meeting on 16 February 2000, was endorsed as the agreed framework for action and a suitable instrument for channelling donor resources to supplement the national efforts. The SRAP development and process has been jointly supported by the GM and the Islamic Development Bank in consultation with the secretariat of the UNCCD. The SRAP is expected to add value to NAPs and promote regional cooperation to take advantage of the synergies between different institutional capacities in the region.

18. GM is undertaking several steps to put the institutional structures that will manage the programme, in place, including the finalisation of the arrangements to select the host institution to house the Regional Coordination Unit, the constitution of the Management Committee for the SRAP, and thereafter, the formal handing over of full responsibility for the SRAP to the member countries.

19. Following several discussions with and missions to the various regional financing institutions, the Global Mechanism was invited to present this programme along with others, at the Arab Funding Institutions' Coordination Meeting at the OPEC Fund's HQ in Vienna on 13-15 September 2000.

20. It should be mentioned that the Near East and North Africa division of IFAD is considering supporting this programme. In addition, the Global Mechanism has allocated US$150,000 to support the launching of the implementation phase of the SRAP.

Regional Thematic Networks (TPNs)

21. The GM is committed to supporting the development of three Asia-wide networks on Desertification Monitoring, Agro-forestry and Rangeland Management, respectively, for which a global amount of US$50,000 has been earmarked.

LATIN AMERICA AND THE CARIBBEAN

Harmonisation of Public Policies affecting Natural Resource Management (LAC/SRAP)

22. At the Third Regional Meeting of the United Nations Convention to Combat Desertification held in La Havana, in 1997, the Latin American and Caribbean country Parties to the Convention identified the environment policy with regard to rural development, the environment, food security, land tenure, poverty alleviation, etc., as having a direct and indirect impact on land management and desertification.

23. Consequently, the Latin American Parties decided to develop a project proposal entitled Harmonisation of Public Policies, to address these concerns. This proposal was drafted with the support of the UNCCD secretariat and approved by the Fifth Regional Meeting held in Lima in 1998.

24. On the basis of this proposal, certain international organisations including IFAD, FAO, UNEP, UNDP/UNSO, IDB and the Global Mechanism of the UNCCD agreed to engage in a joint institutional effort to provide the technical and financial resources for the implementation of the project and six country Parties expressed their political and technical commitment to supporting its development and implementation.

25. To this end, a preliminary evaluation at a national level is being performed within the Programme, with the financial support of US$75,300 from the GM for coordination. The GM has played a decisive role in building the institutional partnership and in consolidating the financial partnership for the co-financing of this programme. Thus, the countries engaged in this process are Chile, Mexico, Peru, Barbados, the Dominican Republic and Nicaragua. The institutions that are financially supporting the initiative are UNEP, the GM, FAO, IADB, IFAD, the Regional Coordination Unit of the UNCCD, and UNDP. The formal request from the country Parties participating as case studies shows the high profile that this programme has as portrayed by the political and institutional arrangements already established.

El Gran Chaco Subregional Action Programme

26. The subregional approach to sustainable management of El Gran Chaco as a transboundary ecosystem has emerged from a long consultation process involving the three countries concerned, i.e. Argentina, Bolivia and Paraguay. The subregional Programme (SRAP) for El Gran Chaco has also identified the technical and socio-economic issues to be addressed in this international effort, and the institutional arrangements needed for their implementation.

27. The GM has been invited as a key partner in this process by the Ministry of Social Development and Environment of Argentina - acting as the Focal Point for the programme. The GM will support this subregional effort with an initial allocation of US$50,000 from the GM's SRCF Account. As a follow up to the priority assessment resulting from the Santiago del Estero meeting held in May 2000, the GM contribution will facilitate the formulation process. It will help identify the medium and long term funding gaps, and determine in due course, the co-financing opportunities available to support investment in identified priority areas, including, *inter alia*, partnership with the GEF secretariat through the interface between land degradation and biodiversity conversation.

28. The horizontal cooperation between regional and national institutions and NGOs, developed through this Subregional Programme, will also facilitate the transfer of knowledge and experiences through, *inter alia*, the GM and RIOD supported Community Exchange and Training Initiative.

Transboundary Programme for the Island of Hispaniola

29. The problems of poverty including inadequate access to infrastructure, services and land resources and the degradation of transboundary ecosystems between Haiti and Dominican Republic are worsened by the intense process of migration in the border zone leading to depleted natural resources. The Governments of both countries have therefore taken concrete measures to provide the basis for integrated and mutually beneficial collaboration on medium and long-term issues of land degradation and the desertification process.

30. The GM has already responded to the request with the allocation of funds in the order of US$50,000 for the formulation of a plan based on priority areas of technical and socio-economic issues that could unfold new opportunities for the two countries. This initiative will be linked to the launching of the Haiti NAP, for which the GM has allocated US$80,000, and the Harmonisation of Public Policies work in the region and includes the Dominican Republic as a partner.

31. GM support to this request represents an effort for substantial collaboration where the process of desertification is explicitly addressed. The umbrella programme for supporting the formulation of the transboundary activities of the Governments offers the possibility for integrated identification of land-use practices that could alleviate the pressures on the natural resources. It is envisaged that a common framework of action for these two countries will not only improve current institutional arrangements, but will also enhance technical capacities.

32. Partnership with a number of Government institutions in both countries, as well as with NGOs and concerned community-based organisations will enhance the implementation process, in which the potential exchange of information on traditional knowledge and basic technologies could be advantageous for all stakeholders. A plan of action will be the practical outcome of the project together with the consolidation of an institutional framework to guarantee its implementation, including linkages with GEF focal areas, such as biodiversity conservation. The two governments have signed an agreement and collaboration with different agencies is taking place along the frontier strip. Collaboration with IFAD on on-going activities in the vicinity of the frontier strip and FAO's work in both countries will improve the prospects for forging partnerships.

Implementation of the FIELD/DESELAC Network in Latin America and the Caribbean Region

33. At the Third Regional Meeting of the Countries of Latin America and the Caribbean, held in La Havana, Cuba, the UNCCD Focal Points of the LAC region expressed the need to develop an information system to be used in support of the implementation of national, subregional and regional action programmes. A proposal for the establishment of a Regional Information Network called DESELAC was discussed and adopted in April-May 1998 at the Fourth Regional Meeting of the LAC Countries, held in Antigua and Barbuda.

34. The DESELAC programme consists of inter-linking existing networks and databases available at national, subregional and regional levels, as well as integrating them with global information sources, with the objective to consolidate, analyse and exchange all relevant data and ensure a systematic monitoring of land degraded areas. The programme also foresees the distribution of statistical and graphical information, as well as good practices and success stories, that would facilitate the elaboration and implementation of sustainable development plans and programmes to preserve natural resources.

35. DESELAC was brought to the attention of the GM during the Working Meeting for the Elaboration of National Reports in Mexico in February 2000. The

programme needed technical and financial support, although a number of activities had been performed, including:

- the establishment of the central node of the DESELAC network within the UNCCD Regional Coordination Unit (RCU) hosted by UNEP in Mexico;
- the preparation and signature of Memoranda of Understanding (MoU) between the RCU and 15 countries who expressed their interest for the establishment of national nodes;
- a preliminary evaluation of existing technical and institutional capacities of the countries;
- the edition and publication of regional bulletins.

36. Given the similarities and complementary nature in terms of the scope and objectives of the DESELAC programme with those of the FIELD system, and in order to seize the opportunity to build on the respective strengths and experiences, the GM invited the UNCCD Regional Coordination Unit (RCU) for Latin America and the Caribbean to participate in the Workshop on the GM Information System, held at FAO Headquarters in Rome on 21 July 2000.

37. As a result of the Workshop, it was decided that the GM and the World Agricultural Information Center (WAICENT) of the FAO will assist the RCU in the development of DESELAC in line with the technology and architecture used for the FIELD system, and will facilitate the deployment of the FIELD/DESELAC network in the LAC region. In addition, the RCU offered to collaborate with the GM in testing the design of the FIELD system, collecting and compiling relevant data (such as financial needs, national funding, projects, lessons learned, etc.) according to FIELD specifications, and promoting awareness and visibility of the joint initiative.

38. As a follow up of this initiative, FAO/WAICENT sent two information technology specialists to Mexico in mid-August to assess existing technical capacities and data dissemination strategy, identify resource requirements, and suggest a phased implementation scenario to provide the RCU with a mirror FIELD platform for the LAC region. The GM has taken the necessary steps to foster DESELAC implementation as a regional priority, and for this purpose hired a consultant to perform a capacity need assessment covering the whole region. The findings of these missions will lay the foundations for discussions with the Parties at the Regional Workshop on Resource Mobilisation, to be held in El Salvador in October 2000.

Annex III

IMPLEMENTATION OF THE FIELD SYSTEM

1. From September 1999 to January 2000 the GM held consultations with the stakeholders to collect their requirements in terms of expected scope, objectives, and functionality of a database on financial resources available for the implementation of the Convention. The consolidated functional requirements resulting from this consultation phase reflected the need of a comprehensive information system whereby data owners could exchange and share relevant knowledge in a systematic way. These consultations also allowed for the definition of common terminology to be used to classify programme categories and components.

2. Technical implementation (Phase 2) of this system started in February 2000. The first activity performed as part of Phase 2 consisted of the definition of partnership arrangements between the GM, the World Agricultural Information Centre (WAICENT) of FAO, and the Management Information Systems Division of IFAD, covering the designing and development of the system on a cost-sharing basis. Implementation is now well under way, and a first tangible result of this technical partnership was the release of the Financial Information Engine on Land Degradation (FIELD) in July 2000. This prototype may be accessed through the GM Web site.

3. Another important activity is the establishment of pilot activities with institutions and organisations that are part of the donor and recipient communities. The objectives of these pilot activities are to test the system, verify its functional efficacy, collect and upload relevant data, and define knowledge-sharing procedures. As part of these pilot activities, some tools might be developed to assist and/or automate the data extraction and compilation processes from existing databases. In March 2000, pilot activities were initiated with the EU, with the Belgian Directorate General for International Cooperation (DGIC, former BADC), and with the OECD's Development Assistance Committee (DAC). The collaboration with OECD/DAC covered the finalisation of a pilot study on "Aid Targeting the Objectives of the Rio Conventions" which highlighted the ODA share, trend, and sectoral focus of desertification-related aid.

4. On 21 July 2000, the GM held a Workshop on the GM Information System at FAO headquarters in Rome. This workshop convened "FIELD-Partner" countries and institutions that were involved in pilot activities, with the objective to verify the functional efficacy of the FIELD prototype, share experiences on data collection methodologies, identify opportunities for collaboration and plan future pilot activities. As a follow up to the Workshop, expressions of interest in pursuing collaboration with the GM were submitted by the OECD/DAC, the European Commission, IFAD, FAO, the Belgian DGIC, the UNCCD Regional Coordination Unit for Latin America and the Caribbean, China and Mali.

5. Once the pilot projects are completed, the activities related to data collection and dissemination will be performed in a continuous or regular way, on the basis of the procedures established in Phase 2. Other activities, such as those related to the technical maintenance of the system and the development of additional features or new releases will be performed on a more specific or *ad hoc* basis. In particular, the future development of the system will be dictated by the feedback and requirements of its end users. This approach will allow work to progress through incremental developments that will gradually incorporate the stakeholders' demand into subsequent prototypes of the system.

6. From September to December 2000, the GM will concentrate its efforts on the identification of a preliminary inventory of relevant sources and channels of funding that are available to implement the Convention, as requested by decision 9/COP.3, para. 10. For this purpose, it will solicit input from the

Facilitation Committee members and from other bilateral and multilateral donors, extract relevant data from public domain databases, and compile donor profiles and case studies, which will be presented at the Subregional Workshops on Approaches to Resource Mobilisation, organised by the GM and the UNCCD secretariat in Africa, Asia, and Latin America and the Caribbean.

Annex IV

ENABLING ACTIVITIES

Community Exchange and Training Programme (CETP) - GM/RIOD enabling activities for the UNCCD

1. While a number of donor-funded projects provide for community exchange and training, the scope of such exchanges is usually limited to the concerned donor's portfolio of projects. At the same time, there is no systematic mechanism for bringing communities "into the loop" - they have traditional knowledge to share, but are left out of the development programmes.

2. In recognition of the priority accorded to capacity-building under the UNCCD, and the need to lay the ground for future investments, the purpose of the proposed Community Exchange and Training Programme is to encourage the establishment of systematic dialogue and the exchange of experiences between natural resource users as a basis for building a partnership between local communities, the (central or local) Government and other partners, including donors and NGOs.

3. To this end, and as a follow-up to consultations with the RIOD Network (International NGO Network on Desertification and Drought), the UNCCD Focal Points at country level and specialised institutions, the Community Exchange and Training Programme is supported by the Global Mechanism and its partners. The Global Mechanism has contributed catalytic resources (in financial and conceptual terms), to facilitate the development and implementation of the programme. It is conceived as a grass-roots capacity-building initiative, and is expected to enhance the absorptive capacity at the local level. It will lay the ground for further investment of domestic and external donor resources in support of NAP objectives.

4. The programme will be implemented in a decentralised manner, while providing an overall framework for cross-fertilisation between projects and programmes executed by NGOs or governmental institutions. Provision will also be made for inclusion of areas that are currently left out of development programmes. Finally, collaborative arrangements will be made in relation to knowledge management and broad-based dissemination of best practices through partnership agreements between existing and future knowledge networks.

5. Following subsequent discussions with representatives of the NGO RIOD network, national coordinating bodies and donors, a framework paper along the above-mentioned lines was drafted and discussed at COP 3. A number of Governments and development partners, including the World Bank (which is already co-financing a project with the GM), the German Technical Cooperation Agency (GTZ), UNSO, FAO, UNEP, and the Free University of Amsterdam have indicated their interest in collaborating with this initiative. Under its NGO/ECP programme, IFAD has already approved a cluster of grants in the aggregate amount of US$420 000, in support to RIOD members in five regions (West Africa, Maghreb, East and South Africa, Asia and Latin America), for exchange and training activities that will be related to IFAD funded programmes in these regions. This amount will supplement the initial allocation of the GM in the amount of US$500,000 for this Programme, alongside other parallel contributions from above-mentioned partners, as well as others to be identified in the future.

6. The first project under this initiative, the Suid Bokkeveld Community Support Project in Northern Cape Province, is under implementation in South Africa. The aim of the Project is to improve the life of poor farming households in this Community through the promotion of partnerships for the purpose of sustained use of natural and cultural resources. The project has

been co-sponsored with the Knowledge and Learning Centre of the World Bank, for a total amount of US$33,100.

7. Further projects from NGOs have been channelled through the RIOD Network and in a few cases, discussed directly with the GM.

8. Several other projects in other regions, are ready for detailed discussion. They are as follows:

a. India: Capacity-Building and Dissemination of Indigenous Technology Across Country Communities

9. The overall goal of the project is to enhance the local communities coping strategies and resource management systems in these areas and strengthen their resilience, thereby strengthening their livelihood systems through exchange of knowledge. The specific objectives of the project are:

- to promote learning and capacity-building among the communities;
- to enhance local knowledge of natural resource management and enhance the capacity of communities to positively respond to further crises;
- to increase access to local technologies that could be replicable for communities across country borders.

10. Youth For Action (YFA) the requesting NGO, is a professional development organisation which has been working with communities in the areas of human resource development, conservation and management of natural resources, with particular emphasis on agricultural biodiversity. Most of its programmes have been planned and implemented through the local network of institutions known as Sanghams.

b. Pakistan: Participatory Wildlife Conservation and Combating Land Degradation in Tharparkar District

11. The overall goal of this GEF/UNDP-initiated project is participatory biological diversity conservation and combating land degradation in Tharparkar District. The project will aim to develop models of participatory management and sustainable resource use in a highly fragile district ecosystem in Pakistan. The project will achieve its objectives by addressing three inter-linked aspects: biodiversity conservation and restoration of ecological balance; tackling land degradation and drought; and providing sustainable development incentives for local development.

12. The expected outcomes of the project are the following:

- a collaborative and community-driven participatory wildlife management programme effective in Tharparkar and providing a model for replication elsewhere in the country;
- reduced illegal hunting and poaching through community based management, advocacy, community mobilization, and legal measures;
- applied strategies and methods for biodiversity conservation that secure ecosystem balance, promote rangeland conservation, reduce land degradation and help to meet socio-economic needs;
- sustainable re-vegetation, water harvesting, reforestation and natural product development for conservation of biodiversity in project area and arresting land degradation processes;
- long term drought management programmes through community and infrastructural development.

13. The requesting NGO - SCOPE - was established in 1988 and in based in Karachi. Its mandate is the protection of the environment at local, national and global level through networking, advocacy, capacity-building, research, community organisation and legal action to achieve self-sustainability.

c. Peru: The Exchange of Experiences and Prospects in the use of the Botanical Grain Technology in the Production of Potatoes

14. A request from the Central Peruana de Servicios (CEPESER), an NGO, has been received within the framework of the Community Exchange Programme of the Global Mechanism. This request is for the financing of a Workshop on training in the know-how of this technology and its implementation by small farmers' associations as an opportunity for food security and alleviation of rural poverty in the semi-arid lands in the Sierra de Piura.

d. Argentina: Proposals for Sustainable Development in Rural Communities

15. Another request for GM support to the NGO community has been received from Los Algarrobos (Civil Asso-iation for Sustainable Development), for a number of projects. Three proposals concern the PUNA Argentina (Salta, Jujuy, Catamarca). The programmes focus on environmental education and institutional capacity for members of RIOD, forestry initiatives in the Mendoza province and initiatives with small indigenous producers in rural areas.

Integrated Land and Water Initiative

16. During the year, the CEOs of the GEF secretariat, the World Bank and UNDP launched the Integrated Land and Water Initiative (ILWI) in response to the serious situation in Africa, particularly with regard to land and water resources. Given the relevance of this initiative to the objectives of the UNCCD, the GM has been involved in discussions on its development. It has also been agreed that the regional workshops to be organised by the GM (see further below) will be used to discuss and integrate the initiative with African regional organisations as well as with individual Governments. Moreover, the inclusion of the water-related initiatives under the Subregional Action Programme for West Africa as pilot sites for ILWI, is being given serious consideration. The GM is working closely with the GEF secretariat and the implementing agencies on this initiative on the basis of a common understanding that it is of very significant importance to the Convention.

Soil Fertility Initiative

17. A further development related to the portfolio of strategic initiatives concerns cooperation between the GM and the World Bank and FAO on the Soil Fertility Initiative (SFI). In this case too, the underlying rationale is to support the implementation of the Convention, by linking it to initiatives that are of relevance to combating desertification. On this basis, it has been agreed with the World Bank to seek harmonisation between the SFI and Action Programmes and this has begun in Burkina Faso and Senegal (see separate sections in Annex I). The GM is also cooperating with the World Bank in seeking to set up a special fund within the Bank that would allow for more active pursuit of the SFI, particularly in Africa. In this case, the GM is urging donors to directly support the initiative through the Bank as the main manager of the Initiative.

Regional Workshops

18. These meetings, organised under the aegis of subregional organisations, will bring together UNCCD focal points at national and subregional levels, and representatives of development partners. The agenda of such meetings will cover, *inter alia*, the following topics, in the form of presentations and/or brainstorming sessions:

- priority areas of NAP/SRAP and status of implementation;

- synergies between the UNCCD and other environmental conventions (Biodiversity, Climate Change, Ramsar, etc.);
- the interface between land degradation and GEF focal areas (biodiversity, climate change, international waters);
- identification of funding instruments and related procedures for resource mobilisation under other environmental conventions, which could benefit the UNCCD;
- the framework of intervention and strategic thrusts of respective interventions of the development partners, including bilateral and multilateral organisations, International NGOs and private foundations;
- lessons learned which bear relevance to NAPs/SRAPs;
- identification of available funding instruments (loans, grants) and sources of technical assistance related to those frameworks;
- the interface between NAP/SRAP and the Governments' relevant sector strategies (agriculture, water, livestock, forestry, rural development, etc.) or national strategies of Governments (sustainable development, poverty reduction, etc.); implications for sectoral and national planning processes, budgeting for domestic resources, and negotiated external assistance, including loans, grants, and debt relief;
- linkages between NAP/SRAP and Donors' frameworks and programmes of assistance, and opportunities for tapping the related financial resources;
- the rationale, implications and examples of private sector investment in environmental management with relevance to the UNCCD; prospective linkages between private sector activities and the NAP/SRAP financing and implementation;
- the implications of the above considerations on the scope and modalities of GM's evolving Communications Strategy.

19. While these meetings are not conceived as a forum for immediate financial pledges, it is expected that specific road maps would be worked out on the occasion of each of the meetings, including possible project idea for further elaboration at national or subregional levels, technical or policy consultations at country level, and statements of interest on the part of technical or financial cooperation agencies to provide assistance in specific action areas, as well as an indicative timetable for follow up activities.

Debt Swap

20. Through its report to COP 3, the GM provided a brief review of the potential of debt swap aimed at releasing additional resources to combat land degradation and promoting sustainable resource use. Noting the general support expressed for GM involvement, concrete steps have been taken to this end during the year 2000 by joining IFAD, FAO and WFP in establishing an Action Group for analysing the prospects for debt swap, approaching the potential creditors, and establishing dialogue with eligible indebted countries. Bearing in mind the ongoing efforts through HIPC, this initiative is directed towards lower middle-income and severely indebted countries with a high incidence of poverty.

21. The Government of Italy is the first creditor country to respond positively to this initiative. Presently four indebted countries, selected in agreement with Italy have expressed their strong interest in converting their non-commercial (ODA) debt to Italy into local resources in order to finance rural development projects in fragile ecological zones. The ultimate objective would be to promote sustainable agriculture, combat resource degradation and enhance the food security of rural poor. The estimated magnitude of total debt stock involved exceeds US$0.5 billion. However the actual amount to be released would depend on various parameters including:

- the portion of debt to be agreed upon for swap;
- the NPV of such portion;
- the capacity of indebted country for mobilizing local resources.

22. Within this context negotiation with two countries out of four have already started, while agreement in principle on eligible projects to receive financing is also concluded. GM is actively participating in this process. If required IFAD, FAO and WFP are also prepared to provide supplementary resources in terms of finance, technical assistance and food aid, while Global Mechanism would facilitate access to further financial resources through other donors. To expand the scope of initiative, initial contacts with two other creditors have also been established. This approach, which brings together the comparative advantages and institutional capacities of GM, its Host Institution and, two other Rome based agencies, is a unique partnership for achieving an enhanced impact from debt swap operations.

Carbon Sequestration

23. The Global Mechanism's engagement in the issue of carbon sequestration is related to decision 9/COP.1 by which the GM is recommended to take account of, "relevant ongoing intergovernmental negotiations, with a view to identifying, at an early stage potential opportunities for, and innovative sources of, financial assistance for implementation of the Convention". Carbon sequestration is debated under the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change as a way mitigating the concentration of CO^2 in the atmosphere. It is, however, also recognised that an increased level of carbon in the soil and vegetation has a positive effect with regard to meeting the objectives of the Desertification and Climate Change Conventions. Since it is, many times less costly for an industrialised country to pay for the sequestration of carbon into the soil and vegetation of a developing country than to reduce the level of emission from its own industry, the trading of carbon has become an interesting alternative. This alternative is currently being discussed under the CDM.

24. In anticipation of decisions to be taken under the CDM, carbon trading is already ongoing, although only on a limited scale so far, and in areas of relevance to the UNCCD. Experience is however, being gained through this practical work and the GM is following developments with the view of seeking benefits for the UNCCD. To this end, the GM is cooperating closely with IFAD and FAO. Following a seminar organised by IFAD and FAO in 1999, FAO has been studying agricultural systems and their potential with regard to carbon sequestration. IFAD is incorporating the carbon sequestration dimension into some of its newly designed programmes and is thus gaining experience in this area.

25. At the end of the reporting period, the GM attended a seminar organised by IFAD, ADB, FAO and USAID that studied, in particular, the aspect related to measurement of carbon in the soil. This initiative was based on the understanding that for carbon trading to become a reality on a large scale and under the auspices of the CDM, it is necessary that an internationally recognised system and method is put in place for measuring the level of carbon in the soil before and after an intervention. The seminar was mainly attended by scientists. However, a number of people with practical experience of carbon trading also participated. The GM intends to further develop cooperation with these organisations, in cooperation with IFAD and FAO, so as to gain practical experience in the area of carbon trading and to put this to the benefit of the Convention. Under the SRCF Account, an amount of US$100,000 has been allocated to enable this initiative to be pursued.

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